

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Competitive Product Prices
Priority Mail Contract 29 (MC2011-3)
Negotiated Service Agreement

Docket No. CP2011-4

PUBLIC REPRESENTATIVE COMMENTS ON
POSTAL SERVICE AMENDMENT TO
PRIORITY MAIL CONTRACT 29

(December 16, 2013)

The Public Representative hereby provides comments pursuant to Order No. 1901.¹ In that Order, the Commission established the above referenced docket to receive comments from interested persons, including the undersigned Public Representative, on a Postal Service notice of an amendment to Priority Mail Contract 29.² The amendment changes the duration of the contract from three to five years after the effective date, allows two 90-day extensions of the contract under certain circumstances and provides pricing for the fourth year of the contract as well as an annual adjustment provision which calculates prices for the fifth year of the contract. Order No. 1901 at 2. The Commission previously approved the addition of Priority Mail Contract 29, which features rates not “of general applicability,” to the competitive product list in Docket Nos. MC2011-3 and CP2011-4.³

The Postal Service’s notice includes a redacted copy of the amendment as Attachment A, with an unredacted version filed under seal.

¹ PRC Order No. 1901, Notice and Order Concerning Amendment to Priority Mail Contract 49, December 11, 2013

² Notice of United States Postal Service of Amendment to Priority Mail Contract 29, December 9, 2013 (Notice).

³ PRC Order No. 574, Order Approving Priority Mail Contract 29 Negotiated Service Agreement, October 29, 2010.

The Postal Service maintains that the prices initially negotiated in Priority Mail Contract 29 applicable to Priority Mail packages during the first year have changed “as contemplated by the contract’s terms.” Notice at 1. The Postal Service also states that the amendment will become effective “on the day the day that the Commission completes its review of this filing.” Notice at 1.

COMMENTS

The Public Representative has reviewed the instant contract amendment, the initial contract filed in Docket Nos. MC2011-3 and CP2011-4, the financial model filed under seal that accompanies the Postal Service’s notice in the instant proceeding as well as materials filed by the Postal Service in ACD 2012 relating to the original contract. Based on that review, the Public Representative concludes that the amended contract in the first year should generate sufficient revenues to cover costs and thereby satisfy 39 U.S.C. § 3633(a).

The Public Representative respectfully submits the foregoing comments for the Commission’s consideration.

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